

The 'Tiny' Rowland File

Part V of an EIR investigative series. Lonrho's huge private empire works on behalf of the Anglo-Soviet Trust to keep Africa enslaved.

The release of African National Congress leader Nelson Mandela on Feb. 11 and the scheduled Independence Day for the former South African colony of Namibia on March 21, have sparked a new optimism in southern Africa among large portions of both the black and white population, that the region may at long last witness a new dawn of racial justice and harmony. To the extent that the groundbreaking political developments presently under way are rooted in a great program for the development of the physical economy of the region, in infrastructure, energy supplies, water management, and educational and health facilities, of the sort specified by American economist and political prisoner Lyndon LaRouche, the great promise of the region will indeed be fulfilled.

Yet LaRouche, together with knowledgeable observers within the region, have warned that a powerful oligarchical faction spanning East and West has no intention of letting these promising developments proceed. This is the faction, known as the Anglo-Soviet Trust, which assassinated Dresdner Bank chief Jürgen Ponto and West German Employers' Association president Hanns-Martin Schleyer in 1977, and which targeted LaRouche as well, at a time when these three were leading efforts internationally to unleash the great industrial and agricultural potential of the Republic of South Africa to the benefit of Africa as a whole. As one U.S.-based source with decades of involvement in South Africa recently put it, "The society trying to destroy the sovereignty of South Africa today, comes out of that: a small, but very powerful group. Their [pro-Soviet] roots are deep, and long-covered. You would only know about them, if you knew them back a long ways."

One of the most visible representatives of this group today is Roland "Tiny" Rowland, boss of Britain's Lonrho multinational, one of the most powerful political and economic forces on the African continent. As previous articles in this series have established (*EIR*, "The 'Tiny' Rowland File," Nov. 3, Nov. 10, Nov. 24, and Dec. 8, 1989), Lonrho was built up by an oligarchical faction in Britain closely tied to the Royal Household, in the wake of British Prime Minister Harold Macmillan's 1961 "Winds of Change" speech before the South African Parliament. Their purpose was to enforce

a new and more vicious form of economic subjugation on Africa, even while granting nominal independence to African nations. Given that pedigree, Rowland and Lonrho represent today a national security threat of the gravest magnitude to the Republic of South Africa itself (despite Rowland's deep involvement in the South African arms industry), to Namibia, where Rowland is presently attempting to secure massive concessions, and to other African countries which aspire to true nationhood.

Though it is widely recognized that Lonrho is one of the foremost economic powers on the continent, the precise form of this power has been shrouded in secrecy, to the point that the British government not long ago forbade the reprinting of the book *Lonrho: Portrait of a Multinational*, by S. Cronje et al. This was despite the fact that this 1976 source, the first and only book-length overview of Lonrho's activities, was both relatively dated, and had been largely compiled from public sources, mainly newspaper clippings.

We therefore recount here some highlights of Rowland's career in Africa, a career built on butchery and slavery.

Lonrho's economic power in Africa

Lonrho employs close to 100,000 people in Africa, out of its worldwide staff of 124,000. Over the 28 years since Rowland took over the management of Lonrho, it has grown from being a secondary company in its original location of Rhodesia (Zimbabwe), to extensive influence over nations such as Zimbabwe, Malawi, Uganda, and Kenya; great power in Mozambique, Botswana, Tanzania, Ghana, and Nigeria; important footholds in Libya and Sudan; and increasing power in Angola and Namibia, with an expansion drive underway into Francophone West Africa. Not even Cecil Rhodes in his heyday succeeded in having his power straddle English, French, and Portuguese-speaking Africa.

Lonrho is the continent's leading private food producer, its leading textile manufacturer, its leading sugar producer, a dominant power in coal, platinum, and gold mining, and has ranching, farming, mining, manufacturing, and trading activities in 29 countries. It employs 25,000 in Zimbabwe, 10,000 in South Africa, runs a 100,000-acre plantation in Mozambique where it issues its own money, and dominates

key sectors of many of these 29 countries.

The economic power of Lonrho is not only far-flung, but from the early 1960s on, the company has zeroed in on the most crucial sectors of any country it targeted, whether it be that country's major agricultural crop, its main mineral wealth, or even more crucially, the main railway or pipeline to deliver these products to market, and to receive imports in return.

According to Cronje et al., already in 1962 "the conviction grew among certain sectors of the Rhodesian business community that the company was seeking to establish itself in key economic sectors of the Central African Federation," comprised of Nyasaland (Malawi), Southern Rhodesia (Zimbabwe), Northern Rhodesia (Zambia), and calls were launched in the Rhodesian parliament for an investigation of Rowland. As one of the leaders of the Central African Federation put it at the time, "This man is acquiring simply too much power. He is a danger, and something must be done about him."

In Zimbabwe, where 50% of the country's foreign exchange comes from mining, Lonrho mines 40% of its gold, and in conjunction with Anglo-American and Rio Tinto Zinc, with both of which Lonrho is allied, controls almost all the rest. In Malawi, Rowland set up the largest agricultural project in the country, a sugar plantation, which contributes heavily to the 70% of the country's foreign exchange that comes from agricultural exports. In Kenya and Uganda, Lonrho targeted coffee production by buying up the company responsible for the warehousing, sorting, and dispatching of Kenya's entire coffee crop and a large part of Uganda's as well, which supplies 95% of the latter's foreign exchange.

By the end of 1972, Lonrho had 50 subsidiaries in Kenya, with such a chokehold on commerce that a Kenyan cabinet minister declared in parliament, "I found that they have taken over very many businesses in this country. I understand that even when we are discussing this matter here today, they are negotiating to buy some African liquor businesses. Very soon, Sir, if you are not going to be careful, you will go back home to find that even the utensils which your wives are using have been bought by the Lonrho group companies."

The secret to Lonrho's dazzling expansion was its backing by such powerful forces in the British Establishment as Royal Household money manager Harley Drayton and the S.G. Warburg investment bank. In the uncertain political climate in Africa in the wake of the "Winds of Change," Lonrho snapped up hundreds of long-established companies, generally offering its own grossly overvalued stock in return for the undervalued stock of the companies acquired. The entire process depended on the willingness of the City of London—the Stock Exchange, Lonrho's auditors, and its commercial and merchant banks—to turn a blind eye to highly dubious financial accounting, as well as to outright criminal activity, as documented in the 1,000-page report issued in 1976 by the Department of Trade and Industry (DTI).

The 'Lonrho philosophy'

The 1976 DTI report charged Lonrho with paying out at least £1 million in bribes in the period up to 1973, most of which went through Rowland's personal account. "This was said to be for the purpose of making the recipients not only recipients of corrupt payments from Lonrho but also personally obliged to Tiny Rowland."

As *Sunday Telegraph* editor Peregrine Worsthorpe noted, "I have even heard it suggested by a senior Conservative minister no less—echoing what might be called the Tiny Rowland or Lonrho philosophy—that the more degraded the political and social system, the easier it will be to extract the precious oil and minerals since trade nowadays follows not the flag, but the bribes."

The case of Mozambique is perhaps the clearest illustration of other elements of the "Lonrho philosophy": targeting critical railways and oil pipelines, extracting vast concessions from a poverty-stricken government, and funding both sides of a bloody conflict, with the net strategic benefit accruing to the Soviet Union.

After the takeover of Mozambique by the Soviet-backed Frelimo movement, Lonrho pioneered the return of foreign investment to the country. In 1975 it set up a subsidiary, Lomaco, with the government as a 49% shareholder. It extracted 30-year land concessions, a complete tax exemption on its profits as well as on any imports or exports for 10 years, and a waiver on prohibitions against foreign exchange dealings.

Lonrho is now the largest cotton producer in Mozambique and grows one-third of its vegetables; but its real power is seen in its control over the country's two rail and pipeline links to the sea—two out of only five rail lines in the whole of southern Africa. Already in the early 1960s, Lonrho built the critical Beira pipeline, which runs from Beira in Mozambique on the Indian Ocean to Zimbabwe, which ever since has delivered 98% of that country's fuel oil supplies. The "Beira corridor," with its critical road, railroad, and pipelines, is crucial for the economies of both Zimbabwe and Mozambique.

Another railroad runs from Malawi, through northern Mozambique, to the port of Nacala. Largely inoperable since the Lonrho-supplied Renamo guerrillas destroyed it in 1984, the line was started up again in early 1989 with help of a £1.6 million grant from the British government, and a £3.8 million loan from Lonrho. The Lonrho funds are being used to hire what amounts to Lonrho's in-house security firm, Defence Systems Ltd., to train a 600-man elite army battalion to guard the Nacala corridor. The British government granted Mozambique permission to buy some of the most modern armaments, including the British Army's latest rifle, the Enfield L85A1. Since 1986, a British military mission in Zimbabwe has been training 60 Mozambiquean officers at a time. The railway is not only critical for Mozambique, but will deliver all of Malawi's exports to the sea, saving Malawi the

40% of its foreign exchange it now spends on a circuitous route through southern Africa.

The net effect of all this was captured in an October 25, 1986 article in the British publication the *Spectator*. After noting that Lonrho had once been called by British Prime Minister Edward Heath "the unpleasant and unacceptable face of capitalism," the *Spectator* remarked that Lonrho might also be called "the unacceptable face of communism."

By 1973, Rowland's power in Africa was such that he came within a hair's breadth of becoming the Organization of African Unity's (OAU) sole middleman to the Arab world

"I found that Lonrho has taken over very many businesses in this country. Very soon, Sir, if you are not going to be careful, you will go back home to find that even the utensils which your wives are using have been bought by the Lonrho group companies."

to secure Africa's oil supplies. In August 1973, Lonrho established a new subsidiary, Lonrho Energy Resources, which was to be "the link between Arab oil producers and Africa's coastal refineries." Among other things, this company would have coordinated the oil supplies of member-states and established a tanker fleet for transport. Based on Rowland's reputation as a "friend of Africa," OAU Secretary General Nzo Egangaki of Cameroon formally appointed Lonrho as consultant to the OAU, with an extraordinarily wide brief which would have made Lonrho the contractors, managers, bankers, and part-owners of the OAU.

When knowledge of Rowland's coup became public, a scandal broke out which forced the OAU to rip up the contract. Engagaki had to resign. But the clout which had brought him so close to securing this unprecedented arrangement was evident in the great Lonrho boardroom crisis of the same year, when a number of board members attempted to ditch Rowland from the board. Several African leaders flew to London to support Rowland. Lonrho African executive Tom Mtine told the press that he had been "authorized by the high commissioner for Zambia in London, speaking on express authority from the government, [to state] that if Mr. Rowland is removed from the office of chief executive the company's whole operation would not only be in jeopardy, but would cease." Mtine added that he understood that the government of Zaire would follow suit. Ghana, stated top Sudanese businessman Khalil Osman, would take similar action.

The 'New Yalta' policy for Africa

The Anglo-American Establishment's grand policy for the post-war period called for a phony "independence" process which would mask the continued colonial looting of Africa, by means of the Establishment's control of raw material prices and access to credit. In addition, this grand policy called for ceding to the Soviet empire a much greater share of the world's territory than had even been granted them by Churchill and Roosevelt at Yalta. For Africa, this meant the installation, in the midst of bloody "gang-countergang" warfare (the better to maximize chaos and minimize sovereignty), of pro-Soviet regimes which would continue to allow the multinationals such as Anglo-American, Rio Tinto Zinc, De Beers, Lonrho, etc. to loot their economies. Angola today exemplifies the process.

While 50,000 soldiers of Moscow's Cuban satellite fought a bloody civil war to keep the pro-Soviet regime in power, the Chevron oil company went about its business, extracting hundreds of millions of dollars worth of oil out of Angola's oil-rich Cabinda province, with troops of the regime ensuring its smooth functioning. Diamonds from Angola's rich mines continue to be dug, and are flown out on the "former" CIA proprietary airline, Southern Air Transport, for marketing by the DeBeers world diamond cartel. Rowland maintains close relations with the Angolan regime, even while he has financed the opposition to that regime, the UNITA movement of Dr. Jonas Savimbi.

But Rowland's deployment as an instrument of the "New Yalta" policy was perhaps clearest in the case of Zimbabwe, formerly Rhodesia.

As per the "Winds of Change" African subset of the overall New Yalta policy, the Anglo-Americans and the Soviets had agreed on the figure of Joshua Nkomo as the new leader of Rhodesia after majority rule. The existing white-dominated regime under Ian Smith had its own ideas about what should happen to the country, and in 1965 made a unilateral declaration of independence (UDI) from Britain and began to carve out its own future. The United Nations, at British behest, declared an economic embargo on Rhodesia, to force it into submission. The Anglo-Americans, together with the Soviets, began to build up the black independence movement. Enter Tiny Rowland.

Rowland funded all the black independence leaders, including Nkomo, Robert Mugabe, and Bishop Muzorewa. Most of his funding went to Nkomo, with whom Rowland had made the usual arrangement when his faction came into power. As one member of the Rhodesian Parliament charged, "Mr. Rowland has done a deal with Nkomo whereby in the event of majority rule, Lonrho would benefit in regard to mineral rights."

While the issue was being contested, Rowland, in typical British imperial fashion, aided both sides of the struggle, both the Smith regime and its black opposition, the better to control an exhausted nation after the conflict. While lavishly

financing Nkomo (including picking up tabs for £30,000 for the stay of Nkomo and his party in a luxury hotel, and giving them unlimited use of the Lonrho jet), Rowland also built mine-proofed vehicles for Smith's security forces and provided imported Mercedes Benz automobiles for cabinet members. He also busted the United Nations sanctions by exporting copper from Lonrho's Rhodesian mines, claiming it came from a Lonrho-owned dummy mine over the border in Mozambique. This not only provided Lonrho profits, but earned much-needed foreign exchange for the Rhodesian regime. According to reports, Lonrho was also smuggling weapons into Rhodesia. Though Rowland claimed, "I am violently anti-Smith," Smith himself said, "They [Lonrho] have performed well [for Rhodesia] in post-UDI years."

Nkomo ultimately lost out to the Chinese-aided Mugabe, and this is generally understood to have been one of the few times when Rowland unaccountably "backed the wrong horse." But Rowland rapidly made his peace with the new regime, and when his old protégé Nkomo tried to move against Mugabe from his position as interior minister, Rowland dropped him like a hot potato. Said Nkomo, "At the darkest moment of my life, the man I regarded as my friend withdrew his help and left me without either money or a place to live, at 12 hours' notice." While Zimbabwe today is run by the government of the Marxist Mugabe, its vast mineral and agricultural wealth is looted, just as before, by Anglo-American, Rio Tinto, Lonrho, et al.

The Trust's strategic minerals cartel

While Rowland's pal and frequent house-guest Chester Crocker, then U. S. assistant secretary of state, was negotiating the Brazzaville Accords of December 1988, which called for South African troops to pull out of Namibia and Cuban troops to pull out of Angola, Rowland was negotiating a parallel series of deals over control of strategic minerals. Rowland, who owns one of South Africa's largest platinum mines, met with Harry Oppenheimer, the power behind the DeBeers diamond cartel and Anglo-American Corporation, a world power in control of strategic minerals.

The *Guardian* newspaper of London leaked some of the content of the discussions:

"As a platinum producer, Lonrho has an interest in convincing the Russians that there should be some kind of marketing organization for selling platinum along the lines of Oppenheimer's Central Selling Organization, which controls the supply and price of diamonds. . . . In the past, the Soviet Union and South Africa have been reported to have had unofficial contacts in Moscow to coordinate the sales of platinum and other strategic metals, and the eventual formation of at least an unofficial cartel based in London or Frankfurt is widely regarded as likely. . . . The Oppenheimer family has previously struck a major commodity marketing deal with the Russians. In 1967, Sir Philip Oppenheimer negotiated an agreement under which the Russian sales of rough

diamonds to the West were carried out through the Central Selling Organization."

Rowland maintains his own direct ties to the Soviets, ties he prefers to keep well-hidden. Western eyewitnesses involved in the diamond business have regularly observed the Lonrho corporate jet in Moscow in recent years. And Lonrho chairman Edward DuCann announced in early 1989 that the East bloc and Soviet Union would (together with Red China) be a major area of Lonrho expansion.

The 'friend of black Africa'

Rowland pretends to be a staunch friend of black Africa, a fraud belied by his supporting both sides in various genocidal civil wars, as he did in Zimbabwe and does now in both Mozambique and Angola. In the latter he has reportedly been buying land along the strategic Benguela Railway to the Atlantic Ocean, in expectation of the line's eventual reopening.

But Rowland's cynical racism is nowhere more evident than in the manner in which Lonrho has treated its black employees. In 1987, the London-based Anti-Slavery Society published a report which blasted the working conditions for 11- to 16-year-old boys in Lonrho's Ashanti Goldmines. For pennies a day, the report said, up to 60 boys at any one time have to work almost naked in a pool of cyanide at the extractor plant of Ashanti. Because the boys are illiterate, they can not read the sign in English which explains how cyanide used in separating out the gold, can enter the body as dust, gas, liquid, or acid. Their supervisor, however, presumably can read English, since he is always protected by heavy rubber boots, thick gloves, heavy clothes, and a respirator. But the boys are forced to work almost naked, in order to "reduce theft." Even though they wear almost no clothing, the report says, "Nevertheless, they are daily subjected to the most degrading bodily examination as they leave work, including internal exploration of the rectum and the most intimate examination of their private parts." Few of the boys were able to work more than a month at a stretch because of nausea, headaches, dizziness, and other symptoms produced by the cyanide.

A *Sunday Telegraph* article of a couple of years ago captured the essence of a typical Lonrho operation elsewhere. "The spirit of 19th-century colonialism has returned to a war-torn corner of Mozambique following an extraordinary deal between Mr. Tiny Rowland, chief executive of Lonrho, and the country's rulers." The "extraordinary deal" gave Lonrho a 100,000-acre estate some 75 miles from the Beira corridor. There, hemmed in by a 10-foot-high barbed wire fence and a Frelimo security force of 100 armed militiamen, some 1,500 to 2,000 laborers cultivate cotton and food for a little over a dollar a day, half of which is not paid in cash, but in plastic tokens usable only at the company store. There, a pair of trousers, for instance, costs 24 days of work.